

1 Annette W. Jarvis, Utah Bar No. 1649
 2 RAY QUINNEY & NEBEKER P.C.
 3 36 South State Street, Suite 1400
 4 P.O. Box 45385
 5 Salt Lake City, Utah 84145-0385
 6 Telephone: (801) 532-1500
 7 Facsimile: (801) 532-7543
 8 Email: ajarvis@rqn.com

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9 and
 10 Lenard E. Schwartzer
 11 Nevada Bar No. 0399
 12 Jeanette E. McPherson
 13 Nevada Bar No. 5423
 14 Schwartzer & McPherson Law Firm
 15 2850 South Jones Boulevard, Suite 1
 16 Las Vegas, Nevada 89146-5308
 17 Telephone: (702) 228-7590
 18 Facsimile: (702) 892-0122
 19 E-Mail: bkfilings@s-mlaw.com
 20 Attorneys for Debtors and Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

21 In re:
 22 USA COMMERCIAL MORTGAGE COMPANY,
 23 Debtor.

24 Case No. BK-S-06-10725 LBR
 25 Case No. BK-S-06-10726 LBR
 26 Case No. BK-S-06-10727 LBR
 27 Case No. BK-S-06-10728 LBR
 28 Case No. BK-S-06-10729 LBR

21 In re:
 22 USA CAPITAL REALTY ADVISORS, LLC,
 23 Debtor.

24 Chapter 11

21 In re:
 22 USA CAPITAL DIVERSIFIED TRUST DEED
 23 FUND, LLC,
 24 Debtor.

24 **Jointly Administered Under
 25 Case No. BK-S-06-10725 LBR**

21 In re:
 22 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 23 Debtor.

24 **MONTHLY OPERATING REPORT
 25 FOR OCTOBER 2006 (AFFECTS USA
 26 COMMERCIAL MORTGAGE
 27 COMPANY)**

21 In re:
 22 USA SECURITIES, LLC,
 23 Debtor.

24 Affects:

- All Debtors
- USA Commercial Mortgage Company
- USA Capital Realty Advisors, LLC
- USA Capital Diversified Trust Deed Fund, LLC
- USA Capital First Trust Deed Fund, LLC
- USA Securities, LLC

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re: USA Commercial Mortgage Company

Case No. 06-10725-LBR

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 10/31/06

PETITION DATE: 04/13/06

I. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U S Trustee or the Court has approved the Cash Basis of Accounting for the Debtor)
Dollars reported in \$1

		<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of April 13, 2006</u>
2	Asset and Liability Structure			
a.	Current Assets	<u>\$62,734,553</u>	<u>\$61,216,564</u>	
b.	Total Assets	<u>\$121,735,073</u>	<u>\$120,233,372</u>	
c.	Current Liabilities	<u>\$23,157,033</u>	<u>\$21,266,244</u>	
d.	Total Liabilities	<u>\$84,982,754</u>	<u>\$83,052,065</u>	
				<u>\$61,634,630</u>
3	Statement of Cash Receipts & Disbursements for Month			Cumulative (Case to Date)
a.	Total Receipts	<u>\$663,891</u>	<u>\$210,849</u>	<u>\$5,332,632</u>
b.	Total Disbursements	<u>\$266,133</u>	<u>\$292,394</u>	<u>\$2,735,272</u>
c.	Excess (Deficiency) of Receipts Over Disbursements (a - b)	<u>\$397,758</u>	<u>(\$81,545)</u>	<u>\$2,597,360</u>
d.	Cash Balance Beginning of Month	<u>\$2,775,834</u>	<u>\$2,857,379</u>	<u>\$576,231</u>
e.	Cash Balance End of Month (c + d)	<u>\$3,173,592</u>	<u>\$2,775,834</u>	<u>\$3,173,592</u>
				Cumulative (Case to Date)
4.	Profit/(Loss) from the Statement of Operations			
5.	Account Receivables (Pre and Post Petition)			
6.	Post-Petition Liabilities			
7.	Past Due Post-Petition Account Payables (over 30 days)			

At the end of this reporting month:

8	Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)	<input type="checkbox"/>	x
9.	Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)	<input type="checkbox"/>	x
10.	If the answer is yes to 8 or 9, were all such payments approved by the court?	<input type="checkbox"/>	<input type="checkbox"/>
11.	Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)	<input type="checkbox"/>	x
12.	Is the estate insured for replacement cost of assets and for general liability?	<input type="checkbox"/>	x
13.	Are a plan and disclosure statement on file?	<input type="checkbox"/>	x
14.	Was there any post-petition borrowing during this reporting period?	<input type="checkbox"/>	x
15.	Check if paid: Post-petition taxes <input checked="" type="checkbox"/> ; U S Trustee Quarterly Fees <input checked="" type="checkbox"/> ; Check if filing is current for: Post-petition tax reporting and tax returns: <input checked="" type="checkbox"/>	(Attach explanation, if post-petition taxes or U S Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current)	

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct

Date: 11/20/06

Responsible individual

STATEMENT OF OPERATIONS

(General Business Case)

For the Month Ended 10/31/06

Current Month			Cumulative (Case to Date)	Next Month Forecast
<u>Actual</u>	<u>Forecast</u>	<u>Variance</u>		
\$1,796,936		\$1,796,936		
		\$0		
\$1,796,936	\$0	\$1,796,936		
\$0		\$0		
\$1,796,936	\$0	\$1,796,936		
\$0		\$0		
		\$0		
\$7,000		\$7,000		
		\$0		
\$1,803,936	\$0	\$1,803,936	10 Total Revenues	\$11,278,628
				\$0
			Expenses:	
		\$0	11 Compensation to Owner(s)/Officer(s)	
\$156,438		(\$156,438)	12 Salaries	\$901,825
		\$0	13 Commissions	\$140,833
		\$0	14 Contract Labor	
		\$0	Rent/Lease:	
		\$0	15 Personal Property	\$8,861
\$48,908		(\$48,908)	16 Real Property	\$321,166
\$15,711		(\$15,711)	17 Insurance	\$37,193
		\$0	18 Management Fees	
\$16,288		(\$16,288)	19 Depreciation	\$127,560
			Taxes:	
\$5,558		(\$5,558)	20 Employer Payroll Taxes	\$57,335
		\$0	21 Real Property Taxes	
\$1,500		(\$1,500)	22 Other Taxes	\$28,879
\$824		(\$824)	23 Other Selling	\$52,724
\$56,839		(\$56,839)	24 Other Administrative	\$562,177
		\$0	25 Interest	\$4,556
		\$0	26 Other Expenses:	
		\$0	27	
		\$0	28	
		\$0	29	
		\$0	30	
		\$0	31	
		\$0	32	
		\$0	33	
		\$0	34	
\$302,066	\$0	(\$302,066)	35 Total Expenses	\$2,243,109
				\$0
\$1,501,870	\$0	\$1,501,870	36 Subtotal	\$9,035,519
				\$0
			Reorganization Items:	
(\$1,925,858)		\$1,925,858	37 Professional Fees	(\$11,281,093)
		\$0	38 Provisions for Rejected Executory Contracts	
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case	
		\$0	40 Gain or (Loss) from Sale of Equipment	
(\$5,000)		\$5,000	41 U.S. Trustee Quarterly Fees	(\$10,000)
		\$0	42	
(\$1,930,858)	\$0	\$1,930,858	43 Total Reorganization Items	(\$11,291,093)
				\$0
(\$428,988)	\$0	\$0	44 Net Profit (Loss) Before Federal & State Taxes	(\$2,255,574)
			45 Federal & State Income Taxes	
(\$428,988)	\$0	\$0	46 Net Profit (Loss)	(\$2,255,574)
				\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 10/31/06

Assets

		<u>From Schedules</u>	<u>Market Value¹</u>
Current Assets			
1	Cash and cash equivalents - unrestricted		<u>\$3,173,592</u>
2	Cash and cash equivalents - restricted		
3	Accounts receivable (net)	A	<u>\$20,109,321</u>
4	Inventory	B	<u>\$0</u>
5	Prepaid expenses		<u>\$18,432</u>
6	Professional retainers		
7	Other: <u>Borrowers interest advances</u>		<u>\$24,845,690</u>
8	Funds held in Collection account		<u>\$14,587,518</u>
9	Total Current Assets		<u>\$62,734,553</u>
Property and Equipment (Market Value)			
10	Real property	C	<u>\$0</u>
11	Machinery and equipment	D	<u>\$0</u>
12	Furniture and fixtures	D	<u>\$146,460</u>
13	Office equipment	D	<u>\$311,143</u>
14	Leasehold improvements	D	<u>\$59,067</u>
15	Vehicles	D	<u>\$0</u>
16	Other: _____	D	
17	_____	D	
18	_____	D	
19	_____	D	
20	_____	D	
21	Total Property and Equipment		<u>\$516,670</u>
Other Assets			
22	Loans to shareholders		
23	Loans to affiliates		
24	<u>Related Party loan</u>		<u>\$58,374,919</u>
25	<u>Retirement Plan intangible</u>		<u>\$103,416</u>
26	Deposits		<u>\$5,515</u>
27	_____		
28	Total Other Assets		<u>\$58,483,850</u>
29	Total Assets		<u>\$121,735,073</u>

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

1 - The method used to estimate the market value of assets was net book value at the end of the current reporting period as market value has not been determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules

Post-Petition

Current Liabilities

30	Salaries and wages	\$37,818
31	Payroll taxes	
32	Real and personal property taxes	
33	Income taxes	
34	Sales taxes	
35	Notes payable (short term)	
36	Accounts payable (trade)	\$169,776
37	Real property lease arrearage	
38	Personal property lease arrearage	
39	Accrued professional fees	
40	Current portion of long-term post-petition debt (due within 12 months)	
41	Other: Retirement plan	\$1,105,535
42	Other liabilities	\$1,630
43	<u>Adjustment for Loan Servicing transactions</u>	<u>\$11,523,174</u>
44	Total Current Liabilities	<u>\$23,157,033</u>

Long-Term Post-Petition Debt, Net of Current Portion

45	Total Post-Petition Liabilities	<u>\$23,157,033</u>
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Pre-Petition Liabilities (allowed amount)¹

47	Secured claims ¹	F	\$0
48	Priority unsecured claims ¹	F	\$169,742
49	General unsecured claims ¹	F	\$61,655,979
50	Total Pre-Petition Liabilities		<u>\$61,825,721</u>
51	Total Liabilities		<u>\$84,982,754</u>

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing	\$38,932,893
53	Capital Stock	\$75,000
54	Additional paid-in capital	
55	Cumulative profit/(loss) since filing of case	(\$2,255,574)
56	Post-petition contributions/((distributions) or (draws)	
57	Market value adjustment	
59	Total Equity (Deficit)	<u>\$36,752,319</u>
60	Total Liabilities and Equity (Deficit)	<u>\$121,735,073</u>

NOTE:

1 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court. The pre-petition liabilities' amounts above reflect the claimed amounts filed on Schedules.

SCHEDULES TO THE BALANCE SHEET (General Business Case)

Schedule A

Accounts Receivable and (Net) Payable

- Receivables and Payables Agings
 - 0 -30 Days
 - 31-60 Days
 - 61-90 Days
 - 91+ Days
- Total accounts receivable/payable
- Allowance for doubtful accounts
- Accounts receivable (net)

Accounts Receivable	Accounts Payable	Past Due
[Pre and Post Petition]	[Post Petition]	Post Petition Debt
	\$29,434	
	\$0	
	\$4,563	
	\$135,779	
\$0	\$169,776	\$140,342
	\$0	
	\$0	

Schedule B Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)

Method of Inventory Control

Do you have a functioning perpetual inventory system?

How often do you take a complete physical inventory?

Weekly _____

Monthly

Quarterly

Semi-annually

Annually

Date of last physical inventory was

Date of next physical inventory is

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods –

FIFO cost

LIFO cost

Lower of cost or market

Retail method

Other

Explain

Schedule C
Real Property

Description	<u>Cost</u>	<u>Market Value</u>
Total	<u>\$0</u>	<u>\$0</u>

Schedule D
Other Depreciable Assets

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
Total	<u>\$0</u>	<u>\$0</u>
Furniture & Fixtures -		
Total	<u>\$0</u>	<u>\$0</u>
Office Equipment -		
Total	<u>\$0</u>	<u>\$0</u>
Leasehold Improvements -		
Total	<u>\$0</u>	<u>\$0</u>
Vehicles -		
Total	<u>\$0</u>	<u>\$0</u>

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

List Total Claims For Each Classification -

	<u>Claimed¹</u>	<u>Allowed²</u>
	<u>Amount</u>	<u>Amount (b)</u>
Secured claims (a)		
Priority claims other than taxes	\$123,916	
Priority tax claims	\$45,826	
General unsecured claims	\$61,655,979	

- (a) List total amount of claims even it under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	Bank of America	Bank of America	Citibank	
Account Type	Analyzed Checking	Analyzed Checking	Business Account	
Account No.	3755532383	3755532419	500078217	
Account Purpose	General	Payroll	Citibank Interest	Petty Cash
Balance, End of Month	\$3,130,142	\$42,766	\$384	\$300
Total Funds on Hand for all Accounts	\$3,173,592			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

NOTES:

- 1 - Claimed Amounts reflects amounts filed on schedules and is subject to change as proof of claims are filed and further pre-petition invoices are identified.
- 2 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended 10/31/06**

		<u>Actual</u>	<u>Cumulative</u>
		<u>Current Month</u>	<u>(Case to Date)</u>
Cash Receipts			
1	Rent/Leases Collected	\$205,674	\$4,139,762
2	Cash Received from Sales	\$205,674	\$71,960
3	Interest Received	\$205,674	\$5,000
4	Borrowings	\$205,674	\$82,832
5	Funds from Shareholders, Partners, or Other Insiders	\$205,674	\$1,027,380
6	Capital Contributions	\$205,674	\$5,698
7	Management Fees from USA Capital Realty Advisors, LLC	\$205,674	\$82,832
8	Tax and Security Deposit Refund	\$205,674	\$1,027,380
9	Principal Received on Notes Receivable	\$205,674	\$5,698
10		\$205,674	\$82,832
11		\$205,674	\$1,027,380
12	Total Cash Receipts	\$663,891	\$5,332,632
Cash Disbursements			
13	Payments for Inventory	\$555	\$2,619
14	Selling	\$555	\$421,279
15	Administrative	\$46,961	\$150,645
16	Capital Expenditures	\$46,961	\$4,888
17	Principal Payments on Debt	\$46,961	\$9,963
18	Interest Paid	\$46,961	\$338,357
19	Rent/Lease:		
20	Personal Property	\$51,269	\$134,160
21	Real Property	\$51,269	\$748,577
22	Amount Paid to Owner(s)/Officer(s)		
23	Salaries	\$51,269	\$18,129
24	Draws	\$51,269	\$5,171
25	Commissions/Royalties	\$51,269	\$4,888
26	Expense Reimbursements	\$51,269	\$861,994
27	Other	\$51,269	\$117,137
28	Salaries/Commissions (less employee withholding)	\$51,269	\$59,870
29	Management Fees	\$51,269	\$9,943
30	Taxes:		
31	Employee Withholding	\$51,269	\$2,735,272
32	Employer Payroll Taxes	\$51,269	\$2,597,360
33	Real Property Taxes	\$51,269	\$10,000
34	Other Taxes	\$51,269	\$397,758
35	Other Cash Outflows:		
36	Professional Fees Paid in Connection with Chapter 11 Case	\$51,269	\$2,775,834
37	U.S. Trustee Quarterly Fees	\$51,269	\$576,231
38	Total Cash Disbursements:	\$266,133	\$3,173,592
39	Net Increase (Decrease) in Cash	\$397,758	\$3,173,592
40	Cash Balance, Beginning of Period	\$2,775,834	\$576,231
41	Cash Balance, End of Period	\$3,173,592	\$3,173,592

STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 10/31/06

		<u>Actual</u> <u>Current Month</u>	<u>Cumulative</u> <u>(Case to Date)</u>
Cash Flows From Operating Activities			
1	Cash Received from Sales	\$205,674	\$4,139,762
2	Rent/Leases Collected		
3	Interest Received		\$71,960
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses	\$555	\$2,619
6	Cash Paid for Administrative Expenses	\$46,961	\$421,279
	Cash Paid for Rents/Leases:		
7	Personal Property		\$9,963
8	Real Property	\$51,269	\$338,357
9	Cash Paid for Interest		\$4,888
10	Cash Paid for Net Payroll and Benefits	\$134,160	\$748,577
	Cash Paid to Owner(s)/Officer(s):		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax	\$5,171	\$59,870
17	Employee Withholdings	\$18,129	\$117,137
18	Real Property Taxes		
19	Other Taxes	\$4,888	\$9,943
20	Cash Paid for General Expenses		
21	Management Fees from USA Capital Realty Advisors, LLC	(\$458,217)	(\$1,027,380)
22	Tax and Security Deposit Refund		(\$5,698)
23	Principal Received on Notes Receivable		(\$82,832)
24			
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$402,758	\$3,614,999
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		\$861,994
30	U.S. Trustee Quarterly Fees	\$5,000	\$10,000
31			
32	Net Cash Provided (Used) by Reorganization Items	(\$5,000)	(\$871,994)
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$397,758	\$2,743,005
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		\$5,000
40	Capital Contributions		
41	Principal Payments		\$150,645
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	(\$145,645)
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$397,758	\$2,597,360
45	Cash and Cash Equivalents at Beginning of Month	\$2,775,834	\$576,231
46	Cash and Cash Equivalents at End of Month	\$3,173,592	\$3,173,592

USA Commercial Mortgage Company
Repaid Loans - Final Payoff
October 2006

	Date	Principal	Interest	Extension Fees	Late Fees	Default Interest	Total Collection	Service Fees Collected¹
Cottonwood Hills	10/11/2006	\$ 4,000,000.00	\$ 62,222.23			\$ 48,222.23	\$ 4,110,444.46	\$ 4,408.60
Total		\$ 4,000,000.00	\$ 62,222.23	\$ -	\$ -	\$ 48,222.23	\$ 4,110,444.46	\$ 4,408.60

¹ Service Fees at 1%, holdback not included.

USA COMMERCIAL MORTGAGE COMPANY - COLLECTION ACCOUNT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 10/31/06

		Actual <u>Current Month</u>	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received	\$274,875	\$1,226,573
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7	Cash Received - See Attachment A	\$4,999,554	\$176,507,967
8			
9			
10			
11			
12	Total Cash Receipts	<u>\$5,274,429</u>	<u>\$177,734,540</u>
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
19	Rent/Lease:		
20	Personal Property		
21	Real Property		
22	Amount Paid to Owner(s)/Officer(s)		
23	Salaries		
24	Draws		
25	Commissions/Royalties		
26	Expense Reimbursements		
27	Other		
28	Salaries/Commissions (less employee withholding)		
29	Management Fees		
30	Taxes:		
31	Employee Withholding		
32	Employer Payroll Taxes		
33	Real Property Taxes		
34	Other Taxes		
35	Other Cash Outflows:		
36	Extension/Late Fees/Default Interest Collected on Behalf of USA CM	\$129,673	\$556,549
37	Service Fees Paid to USA Commercial Mortgage	<u>\$1,836,237</u>	
38	Payments to Investors	<u>\$125,799,162</u>	
39	Total Cash Disbursements:	<u>\$61,646,371</u>	<u>\$128,191,948</u>
40	Net Increase (Decrease) in Cash	<u>(\$56,371,942)</u>	<u>\$49,542,592</u>
41	Cash Balance, Beginning of Period	<u>\$114,967,951</u>	<u>\$9,053,417</u>
42	Cash Balance, End of Period	<u>\$58,596,009</u>	<u>\$58,596,009</u>

USA COMMERCIAL MORTGAGE COMPANY - COLLECTION ACCOUNT

STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 10/31/06

		Actual <u>Current Month</u>	Cumulative <u>(Case to Date)</u>
1	Cash Received from Sales		
2	Rent/Leases Collected		
3	Interest Received	\$274,875	\$1,226,573
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s):		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Cash Received - See Attachment A	(\$4,999,554)	(\$176,507,967)
22	Extension/Late Fees/Default Interest Collected on Behalf of USA CM	\$129,673	\$556,549
23	Service Fees Paid to USA Commercial Mortgage		\$1,836,237
24	Payments to Investors	\$61,516,698	\$125,799,162
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	(\$56,371,942)	\$49,542,592
	Cash Flows From Reorganization Items		
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U.S. Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	(\$56,371,942)	\$49,542,592
	Cash Flows From Investing Activities		
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
	Cash Flows From Financing Activities		
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	(\$56,371,942)	\$49,542,592
45	Cash and Cash Equivalents at Beginning of Month	\$114,967,951	\$9,053,417
46	Cash and Cash Equivalents at End of Month	\$58,596,009	\$58,596,009

USA Commercial Mortgage Company - Collections Account
Attachment A
October 1, 2006 - October 31, 2006

Borrowers	Receipts
5055 Collwood, LLC	\$ 142.88
Bundy Canyon \$1,050,000	23,844.21
Bundy Canyon \$5,000,000	65.28
Charlevoix Homes, LLC	45,333.32
Cloudbreak LV	65,444.44
Columbia Managing Partners	23,941.67
Cornman Toltec 160, LLC	106,250.00
Cottonwood Hills, LLC	4,110,444.46
Fiesta Murrieta	70,416.66
Fiesta Development \$6.6	71,500.01
Foxhill 216, LLC	10.28
Goss Road	21,072.07
Hesperia II	23,806.65
I-40 Gateway West	28,424.34
I-40 Gateway West, LLC 2nd	28,440.26
La Hacienda Estate, LLC	62,550.00
Mountain House Business Park	17.47
Ocean Atlantic	1,755.46
Rio Rancho Executive Plaza, LLC	49,914.72
Southern California Land 2nd	46,666.66
The Gardens/\$2,425,000	9.61
The Gardens Timeshare	159,281.76
University Estates	60,221.49
Total Receipts	\$ 4,999,553.70

USA COMMERCIAL MORTGAGE COMPANY - INVESTOR ACCOUNT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 10/31/06

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received		\$947
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7	Return of Funds from Title Company		\$8,900,000
8	Funding Assignments		\$200,000
9			
10			
11			
12	Total Cash Receipts	<u>\$0</u>	<u>\$9,100,947</u>
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
19	Rent/Lease:		
20	Personal Property		
21	Real Property		
22	Amount Paid to Owner(s)/Officer(s)		
23	Salaries		
24	Draws		
25	Commissions/Royalties		
26	Expense Reimbursements		
27	Other		
28	Salaries/Commissions (less employee withholding)		
29	Management Fees		
30	Taxes:		
31	Employee Withholding		
32	Employer Payroll Taxes		
33	Real Property Taxes		
34	Other Taxes		
35	Other Cash Outflows:		
36	<u>Pre-Petition Check Cleared by Bank after Account Closed</u>	<u>\$100,000</u>	
37	<u>Principal Payments to Investors</u>	<u>\$325,000</u>	<u>\$9,425,000</u>
38	Total Cash Disbursements:	<u>\$325,000</u>	<u>\$9,525,000</u>
39	Net Increase (Decrease) in Cash	<u>(\$325,000)</u>	<u>(\$424,053)</u>
40	Cash Balance, Beginning of Period	<u>\$1,877,080</u>	<u>\$1,976,133</u>
41	Cash Balance, End of Period	<u>\$1,552,080</u>	<u>\$1,552,080</u>

Note:

1 - Check cleared by Wells Fargo on April 19, 2006 and not returned to account by the bank.

USA COMMERCIAL MORTGAGE COMPANY - INVESTOR ACCOUNT

STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 10/31/06

		Actual	Cumulative
		Current Month	(Case to Date)
	Cash Flows From Operating Activities		
1	Cash Received from Sales		
2	Rent/Leases Collected		
3	Interest Received		\$947
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s):		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Pre-Petition Check Cleared by Bank after Account Closed		\$100,000
22	Return of Funds from Title Company		(\$8,900,000)
23	Principal Payments to Investors		\$9,425,000
24	Funding Assignments		(\$200,000)
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	(\$325,000)	(\$424,053)
	Cash Flows From Reorganization Items		
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U.S. Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	(\$325,000)	(\$424,053)
	Cash Flows From Investing Activities		
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
	Cash Flows From Financing Activities		
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	(\$325,000)	(\$424,053)
45	Cash and Cash Equivalents at Beginning of Month	\$1,877,080	\$1,976,133
46	Cash and Cash Equivalents at End of Month	\$1,552,080	\$1,552,080

Note:

1 - Check cleared by Wells Fargo on April 19, 2006 and not returned to account by the bank.